

Industry Circular



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Internal Revenue Service

Alcohol and Tobacco Tax Division
Washington, D.C. 20224

Industry Circular No. 68-22

July 30, 1968

USE OF THE WORD KENTUCKY ON LABELS FOR "LIGHT WHISKY".

Proprietors of Distilled Spirits
Plants and others concerned:

PURPOSE

The purpose of this circular is to announce a finding by the Director that the use of the word Kentucky is prohibited on labels for "Light Whisky".

BACKGROUND

Treasury Decision 6945, published in the Federal Register on January 26, 1968, amended the distilled spirits labeling regulations (27 CFR, Part 5) to provide a new standard of identity for "Light Whisky" (effective July 1, 1972, with respect to whisky distilled on and after January 26, 1968). In connection with the promulgation of this new standard of identity, the regulations were amended by adding a new subparagraph (5) to section 5.21(h) of the regulations. This new subparagraph reads as follows:

- (5) The name of any State which the Director finds is associated by consumers with an American type whisky shall not appear in any manner on any label for light whisky, as defined in paragraph (b)(11) of this section, except as a part of the name and address of the distiller, bottler, or person bottled for, as required by section 5.35 (a) and (c).

When the then-proposed standard of identity for "Light Whisky" was considered at the hearings held in September, 1967, testimony was received from a number of Kentucky distillers to the effect that "Kentucky" should not be used to describe any light whisky produced in Kentucky, lest it be confused with "Bourbon" for which the State is famous. It was, of course, recognized that the name "Kentucky" could not be prohibited in the name and address of a Kentucky bottler, since that is specifically required by other regulatory provisions. This was one of the reasons for the amendment of 5.21(h) of 27 CFR.

CONCLUSION

Pursuant to the provisions of 27 CFR, 5.21(h) Class 8(5), the Director has found that the State of Kentucky is associated by consumers with an American type whisky. Therefore, the name Kentucky may not appear in any manner on any label for light whisky as defined in 27 CFR, 5.21(b) Class 2(11), except as part of the name and address of the distiller, bottler, or person bottled for, as required by Sections 5.25(a) and (c). This finding will be published as a revenue ruling in the near future.

INQUIRIES

Correspondence in regard to this industry circular should refer to its number and be addressed to the Director, Alcohol and Tobacco Tax Division (CP:AT:B), Washington, D.C. 20224.



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